

CHAPTER - VSUMMARY AND CONCLUSIONSINTRODUCTION :

Our case study of one co-operative sugar factory clearly brings out the role and significance of agro-processing sugar units in the process of rural industrialisation and transformation rural areas. It also signifies, the various area development programmes that have been undertaken by a co-operative form of enterprise in agro-processing industry. The success of such a co-operative sugar enterprise also aptly highlights the major and crucial role that 'local leadership' plays in area development. A co-operative sugar unit does become a growth centre for backward and forward linkage effects.

The main form of final finished product in the process of sugar units is sugar and through the process of diversification they do undertake by-products range of production also. However, sugar is the main product in the process of 'value-added' in the sugar enterprise under

study. Hence the income yield from sale of sugar produced has a direct relation with the co-operative sugar units cane price paying capacity to the sugarcane cultivators, who supply sugarcane to be crushed to the sugar unit. Growth in sugar production of the co-operative sugar factory under study amply proves that cane supply has increased and its cane crushing capacity also has increased. Today small and medium farmers produce more cane with rising agricultural input costs. The price paid by the factory to the cane supplier thus is crucial and should be remunerative. It is here that the cane price policy and sugar sale policy and more so income yield that a sugar unit gets from sale of sugar both in levy market and free market is crucial. Our study reveals that -

- 1) During the period under study, total members of the Shree Datta Shetkari Sahakari Sakhar Karkhana Ltd., Shirol have registered a growth from 10,146 in 1983-84 to 26,704 by 1993-94. Total share contribution hence rose to Rs. 2.89 crores by 1993-94.
- 2) Alongwith growth of total membership area of operation of the factory also registered a growth.

3) Consequently area under sugarcane cultivation within the area of operation increased from 16,990 hectares in 1983-84 to 24,500 hectares in 1993-94. This led to increased installed crushing capacity of the factory and total sugarcane crushed also increased.

4) With growth in membership and more cane supply therefore income yield from sugar sales was important.

5) For a individual co-operative enterprise its sugar sales yield depends on the government announced sugar sales policy in which the free market sale and levy sale quota are announced. This dual sugar policy was implemented with twin objectives. To ensure minimum cane price by linking it to levy sale price and in the process also ensuring that the Public Distribution Scheme has adequate sugar to sell. Free market sale of sugar would help a sugar unit to receive income yield as per market determined situation with monthly release of sugar sold been monitored. This dual policy protected the interests of all the cane supplying farmer, the ultimate sugar buyer that is consumer and the sugar processing unit also.

- 6) In 1983-84 the free market sale quota was only 35 per cent but in years to come this quota has been increased and is 60 per cent in 1993-94. This has benefited the sugar unit. The partial control of sugar sale policy is moving more towards market determined price of sugar.
- 7) Total sugar sold by the co-operative factory under study reveals that in 1983-84 total 5,81,911 bags of sugar were sold and this increased to 9,69,253 bags by 1993-94. By this total sales more bags in free market have been sold since 1991-92. Free market sale of sugar in export market was undertaken by the factory in 1989-90 when 10,000 bags of sugar was exported. This speaks of the quality performance of the unit under study.
- 8) Subsequent to more sale of sugar in free market in later years, of the total income received from sale of sugar by the Shree Datta Shetkari Sahakari Sakhar Karkhana Ltd. more income yield has come from sale in free market. Significantly in latter years. This is mainly because price of sugar in free market is more than controlled levy price of sugar. Sale from exports of sugar have increased to Rs. 420 lakhs in 1993-94 which is a good sign.

9) Thus more liberalisation of sale of sugar into free market ensures more income yield to a co-operative sugar unit and this can help the sugar unit to pay satisfactory price for cane to producer members and non-members, who supply increased sugarcane to a factory at rising costs in recent years.

10) To avoid fluctuations in prices of sugar in market the government has to increase its buffer stock of sugar and also import sugar at the appropriate time. Public Distribution Schemes for the needy has to be maintained and quota for levy sale has to continue.

....